



**SPECIAL MEETING OF THE COMMON COUNCIL
MIDDLETOWN, CONNECTICUT
NOVEMBER 30, 2010**

Special Meeting	A special meeting of the Common Council of the City of Middletown was held in the Council Chamber of the Municipal Building, on Tuesday, November 30, 2010 at 7 p.m.
Present	Mayor Sebastian N. Giuliano, Deputy Mayor Joseph E. Bibisi, Council Members Thomas J. Serra, Vincent J. Loffredo, Ronald P. Klattenberg, Philip J.. Pessina, Gerald E. Daley, Robert P. Santangelo, Hope P. Kasper, Councilman James B. Streeto, Grady L. Faulkner, Jr., Deborah A. Kleckowski, and David Bauer, Corporation Counsel William Howard Sergeant-at-Arms Acting Chief of Police Patrick McMahon, and Council Clerk Marie O. Norwood.
Absent	Mayor Sebastian N. Giuliano (in attendance as workshop presenter) and Corporation Counsel William Howard
Also Present	Twenty-five members of the public.
Meeting Called to Order	Deputy Mayor Bibisi calls the meeting to order at 7:03 p.m. and leads the public in the Pledge of Allegiance.
Call of Meeting Read	<p>The Call of Meeting was read and accepted. Deputy Mayor Bibisi declares the Call a Legal Call and the Meeting a Legal Meeting.</p> <p>Bill Warner, Director of Planning, Conservation, and Development is recognized by the Chair and comes forward to begin the workshop. He begins his presentation by introducing the team that worked on this project. He states they can answer questions the Council may have in their area. He went to the Council in November for funds to do the due diligence for this purchase. He gives an overview of the areas that the presentation will cover. In terms of due diligence, he has sent numerous emails to the Council; they did a title search, Phase I analysis and they are awaiting a roof evaluation. They have had a hazardous materials research done on the building and he has most of that material. He has the appraisal. He had hoped to have the roof report this evening; the evaluation was done the day after Thanksgiving and was hoping for the report today. He hopes to have it tomorrow. The boiler is old but was inspected in 2010 and the owner will have it up and running. He was told today it was running.</p> <p>The second floor does not have air and it is not ADA accessible. The bathrooms are not ADA accessible. The roof is concrete shingle with 20% asbestos. Some thought it was slate. What happened is, it was a new product in 1928. We used something similar on the police station. In 1928, they mixed asbestos and it is non-friable and not a problem if we got to the point to remove the whole roof. There is no major leaking so if they had to remove it, the purpose is due diligence to get all the information to you. We had the shingle tested and it would cost about \$25,000 to dispose of the roof if they have to do the whole roof. The architect has the cost of a new roof, but he is not sure they need it right away. If it does have to be fixed, it will have to be disposed of because of asbestos.</p> <p>The current appraisal as of last week is \$980,000 as is, a vacant, nonproducing building. For the Feasibility Analysis, they looked at would could go there. It can accommodate a senior center and it can be and it is significantly better than the present senior center. A police substation, conference rooms, recreation office, storage room, veterans museum are some uses for the space; there is over 3,000 sq ft of additional municipal offices if need be. It will be up to a future building committee and the Council to determine if offices could move. There are a number of combinations that could be made. The building is almost move-in ready. It was a school a year ago. We could use the \$240,000 available to renovate the first level for a senior center. We can use City and volunteer labor and to work on this project. We would renovate the second level with available CDBG and LoCIP funds and/or a small bond for about \$300,000 and move municipal offices in. They wanted a comprehensive look at this and do it right the first time. They retained Quisenberry Arcari Architects, LLC and they have been working with the City on a senior center and they developed an ideal plan. He introduces Tom Arcari to introduce the plan and the cost.</p>
Point of Information	<p>Councilman Pessina has a question and asks if it will include the outbuilding that is there. There is a portable classroom and is that part of this presentation. Mr. Warner responds they did not look at it. It was there in 1999 and it has one bathroom. That is the only issue.</p> <p>Mr. Arcari comes forward to present the Ideal Plan. He states it is the proposed lower level plant. Their process involved a full review of the existing building and as built documentation of the structure. The second phase was to sit with the</p>

Senior Center and Recreation staff to see how the program needs could be maximized at the building. If you look at the plan, the left is to the south and right to the north. They would propose for accessibility and flexibility to provide a new stair and elevator tower. It would be a new entrance at the lower level and they would raise the lowest floor level where the current multipurpose space is. They would raise it so it is all one level and totally handicapped accessible. They would propose a central entrance and office space for senior center staff. They have designed the area as a typical senior center space. As you move down the corridor, there is a physical fitness area; that is a key component for senior centers. They have a multipurpose space and it can be one or two rooms. They have a catering kitchen. In the bottom right corner of the plan they have game and activity space. They have accessible toilet facilities, then the boiler room area.

He continues with the second floor plan. As you can see in the south side is the elevator tower, and it is added to the exterior which is to control the construction of that element and it would be easier to run the elevator to the attic and the attic can be used as storage space. At the second floor, there would be a lobby and the upper left and right corners they would renovate the existing bathrooms to be handicapped accessible. At the back are three current classrooms and they would keep that shape and add dividers to have up to five potential meeting rooms. These can be divided to accommodate offices. You could have the option for community meeting rooms. The lower left would be ceramics and art classes and adjacent to the stairwell would be a police substation. On the right would be a recreation suite and it would handle the current staff and space for growth.

Mr. Arcari discusses the Ideal Cost. The final phase of the study was to identify the cost. In order to add the elevator tower, the cost is about \$275,000. They are executing a similar project for Vernon and that is the projected cost for a similar structure. The lower level renovations would be intensive and it would be a cut renovation to make it new and upgrade the utilities and the cost is about \$100 per sq ft and total cost of \$600,000. The upper level renovations are not as intensive at about \$300,000 or \$50 per sq ft. These are conservative numbers. The cost for new HVAC and roof and he is not sure the roof has to be done, but his team is recommending it and to put in HVAC for both floors and the cost is \$225,000; the total cost would be \$1,400,000. It can be done at once or in phases. The soft costs include architectural fees, drawing and bidding and budget for furniture and equipment and the total soft cost is \$157,000 and the recommended project contingency is 10% or \$140,000. The total cost is \$1,697,000.

Mr. Warner continues with a discussion on how to get it done. He thinks it is ironic that there is a mural from the depression era in the building and times are tough. We have an obligation to provide for seniors and veterans, but need to be creative and limit the impact on taxpayers. He was looking at how to do it with the resources we have without going to bonding for the entire amount. He states we should identify the people who want this building and establish a building committee with strong Council leadership. We should establish a goal of limiting the impact on the local budget. Have the building committee establish a phase approach to renovation in line with their funding sources. We need to use grants, the City labor force, volunteer labor and whenever possible, buy locally. We should be creative to limit the impact on the taxpayer. He discussed available resources. He states we have \$40,000 from the City funds; \$190,000 of federal funds; \$500,000 CDBG annually; \$333,000 from LoCIP annually. That is available funding for a City project. He put \$44,000 annual rental payments and the City pays the Synagogue \$8,000 for renting parking spaces for the seniors. We are spending almost \$50,000 in rent. We could use the City labor force. Look for volunteers, like Honeywell, Wesleyan, AIC, and Vinal Tech. We should look for local talent like masons and carpenters. There is \$200,000 EPA hazardous buildings for material clean up grant which we have used before. We could look at the Connecticut historic tax credits for exterior renovation. We could bring back the cupola on the top of the building. We can bring back the hardwood floors. We can lobby the State and Federal government for allocations. We can go to our legislators and ask for some money for this to close the gaps and make the project work.

Mr. Warner discusses how to fund the plan from Mr. Arcari so there is a limited or no impact on the taxpayer. He states the elevator, HVAC and the Roof and we can scale it back at \$150,000. It is elaborate. He is not sure there is a need for a new roof right away, maybe in five years. Some say do it right the first time. When we go out to bid, do it in phasing and he removed \$257,400. Using City labor and volunteers he reduced it by \$100,000. He doesn't think they are unreasonable assumptions and it reduces it to \$1,214,600. He states if we use the \$40,000 local, \$190,000 federal funding; \$300,000 LoCIP for two years; \$300,000 CDBG for two years and go to bond for \$384,600, it will have a minimal impact on taxpayers. The annual savings is over \$48,000 and it would cover the debt service. He spoke to Carl and Diana; it is not unreasonable and you need to set the priorities and this can be done with almost no impact.

Mr. Warner discusses the benefits of the project. This is a long term stable use

for the building for a good neighborhood. We don't have people coming out to oppose this. The police substation will support the neighborhood and encourages the TRIAD program. It will be a high quality space for seniors and veterans and Tom Cheeseman will rework the bus line so they can be dropped off in front of the building. It is a modest proposal. One conference room in this building makes meeting scheduling difficult. It is crowded and we rent for Recreation. It will meet the growing needs of the City for the next 10 to 15 years. The key to success for this project is to build excitement over the project. The Chamber letter you received hammers that home. Two of the most important segments of our population are the seniors and the veterans. Larry McHugh, President of the Chamber supports this and it would promote an investment in the community.

The Chair asks if there are questions and recognizes Councilman Bauer. Councilman Bauer thanks Mr. Warner for the opportunities to look at the property. One thing I don't see, the triangle of land across the street, the City owns that. Mr. Warner responds yes we do. Councilman Bauer states in this proposal there is no budgeting for City expenses for what will happen in the annex. What is the cost to the City. Mr. Warner states the annex, the building inspector said eventually it will need a roof. The only other work they saw is to take down the wall between the two bathrooms. It is good space and they talked about the veterans or a municipal office using the space. Councilman Bauer states he thinks some of the contingency money may go there. He asks about parking and what the supplies cost to fix the parking lot. Mr. Warner replies Tom Nigosanti in Public Works could do that and he was hesitant to do that. It could be done with City labor and he thinks it won't be more than \$50,000. Councilman Bauer states the reason he asked about the triangle of land and it is a nice neighborhood and right now there is an unused playscape and would it be right for the entire scope of the project to consider that triangle of land and put a playscape for the neighborhood. Mr. Warner replies it is well maintained and he would leave it up to the neighborhood. His gut reaction is there are a lot of seniors there. Councilman Bauer states some might think that as part of the scope. He also thinks furniture and fixture costs seem low and asks they reconsider to have that number of municipal employees out there. He has concern about meeting spaces, not only for committees, but for internal municipal staff and what kind of value you put on meeting space. Mr. Warner responds he can't answer that. Councilman Bauer states one observation for Mr. Arcari; he noticed there is ceramics there and he is struck with the proximity to Wesleyan potters and struck with the cost of this. We did the walk through and in the basement is vestiges of a stage and what is your impression of what was left and could anything be done with it and he was surprised in not seeing it in your layout. Mr. Warner responds he looked under the stage and it appears in good condition. It is there and Tom can talk about it. One point, on the exterior, is putting in a sidewalk. We have put a potential sidewalk around the building for a walking path. Mr. Arcari comes forward to comment on the fixtures and furniture and it was anticipated that a lot of Park and Recreation furniture would be used because it is in good shape and the senior center has a lot of equipment and furniture that is in good shape. It doesn't mean there won't be computers, but the Recreation Department will be moving their equipment. Regarding the stage, by leveling the floor to create a single elevation, we make the stage go away. In communications with the Senior Center Director, the stage would not be the most beneficial use of the space so the goal overall was the best use and they made it a meeting space. Councilman Bauer asks about a lot of the built-ins. Mr. Arcari believes they can be moved and used in other spaces.

Councilman Streeto asks about page 5, almost move in ready and comparing it with Mr. Arcari's remarks and the first floor will be gutted, there is a discrepancy on how much will be used. Mr. Warner states if you want to buy it and move in it meets the code requirements and \$240,000, would make it useable. If we bought it and put grant money in and get it to function we can do that. Then what we did, the Council would like to know how to do it right and Mr. Arcari looked at it and stated to gut the whole first level would be the right way to do it. Councilman Streeto states the renovations would have to be done eventually to optimize the space. Mr. Warner responds yes. Councilman Streeto asks if it can be done in phases. Mr. Arcari states it could be done in phases but financially doesn't make sense. Because of the economy, if you can put the package together it makes sense to get it all done at the same time. While the building is move-in ready and you can move in and make use of the spaces, but the layout does not serve the functions of a senior center. You can force fit the program, but from the functioning perspective the relative expenditure makes a huge impact for the use of the space. Councilman Streeto states for doing it right, can a mandate be put in that a certain percentage of labor is done locally. Mr. Arcari states it can be put into the bid documents and will impact the bid results and we could do anything. Councilman Streeto states this might be a way to deal with unemployment in Middletown. Mr. Warner states there is a problem once we use State and Federal funds and it gets difficult. Mr. Arcari adds one thing other municipalities have done is a local preference which is a percent number; essentially bidding apples to apples. Councilman Streeto asks Mr. Warner to discuss the timing; why does it need to happen as quickly as it does. Mr. Warner states his understanding is we need Planning and Zoning approval. We need to get zoning approval and the first hearing available is January 12 and we need to

get going on that and put up the signs. We need to hear from the Council in order to go in that direction. Acting City Attorney Lynch states the seller has carrying costs and financial obligations to meet and they have another person interested in this. There is a penalty clause in the contract and we need to keep the project moving forward. We have spent the funds to investigate it and there are no reasons to delay. Councilman Streeto asks about doing it in January. Attorney Lynch replies it moves us into the penalty. We need to get it to Planning and Zoning as quickly as possible.

Point of Information

Councilman Serra asks if Councilman Streeto will yield for one question. Councilman Streeto does so. Councilman Serra asks of Attorney Lynch who authorized to go into the contract so there is a penalty clause. Attorney Lynch replies it is a proposed contract with the church. Councilman Serra states then it doesn't hold water. Attorney Lynch states that is the purchase and sale they would like us to sign.

Councilman Streeto states the body meets on January 3 and Planning and Zoning on January 12; Mr. Warner states he doesn't think there is enough lead time between the 3rd and the 12th for Planning and Zoning to look at this. There are publication requirements.

Councilman Loffredo is recognized and states what is wrong with the 3rd. Attorney Lynch states he would like Planning and Zoning to have enough time to consider it. Councilman Streeto asks Mr. Warner to speak to the body on this. Mr. Warner responds they have to schedule a public hearing and the application was signed by the church and it has to schedule the public hearing and then you need an engineer to do a site plan and we have spent money on the due diligence. He wants to emphasize there is another buyer; a nonprofit met with the Mayor and him and if the City wants it, they will back off.

Councilman Streeto states in terms of using LoCIP and CDBG funds and assuming the worse case scenarios, it ends up on the floor of federal and state budgets, what is the alternative. Mr. Warner states there is no way CDBG will be cut. We know we are getting it in January. We get LoCIP in March and it must already be in the budget. LoCIP has not been cut last year and the Governor wants to reduce the property tax burden and one way is through increasing LoCIP. He is confident they will get LoCIP and CDBG. Councilman Streeto states this is something we can modify to reflect modest budgeting constraints. Mr. Warner replies if we allocate the \$143,000 currently in LoCIP and \$300,000 from the next year and cut back CDBG, then you can up the general fund obligation bond. Councilman Streeto asks this project to purchase came up before and was rejected. There was a substantial cost difference but is there something else. Mr. Warner states we got the letter of first right of refusal and it was \$1.5 million and we, he believes, were discussing still the big senior center at Veteranis Park. Councilman Streeto asks about a market value you can discuss. Mr. Warner states on November 23, the appraisal came in and it is \$980,000. Councilman Streeto asks about the previous cost. Mr. Warner states \$1.3 million. Councilman Streeto states the previous was above and this is below it. Mr. Warner states the appraiser explained to him it is a vacant building, but if it was a school and functioning as a school it would be worth more. Councilman Streeto notes he is not sure he can vote on this without the roof appraisal. Mr. Warner states he called the company five times today.

Councilman Klattenberg asks to address questions to Tom Arcari. He states your firm, how many projects similar to this one have you worked on. Mr. Arcari states senior centers are their municipal specialty. They have done over a dozen of varying size. They just finished Groton, 40,000 sq ft and Plainville senior center 3,000 sq ft addition and 3,000 sq ft renovation. Councilman Klattenberg states you have extensive experience to design a senior center. When he got involved with this building, it needed to have a sense of place and a building that they feel they belong to. He asks if the building has those qualities. Tom states it is a good solution; he doesn't want to compare to the one the City was looking at. It is a destination, ease of access and public transportation and in terms of an identity, is positive. It is a good partnership with the Recreation Department. That is a good friendship and the use of upper level as flexible space allows the first floor a greater amount of flexibility. The first floor is 6,000 sq ft and minus the recreation offices, the remaining 4,000 sq ft upper level could be programming. It offers a lot of space compared to the current program. Councilman Klattenberg asks from your experience is there anything your design is lacking. Mr. Arcari responds every senior center is different, but the core functional program needs, socialization space, private social space, game space, physical fitness, arts and craft, flexible classrooms those are the core spaces we see in all community spaces as well as room for health screening and added storage space. The police substation will be the first he has done, but it is a good partnership. Councilman Klattenberg appreciates the work you put into this. He asks Mr. Warner, you commented on the schedule, is what you are saying at the December meeting for Planning and Zoning, you have to provide notice. Mr. Warner states December 8 they vote for the public hearing. and it needs to be advertised 10 or 15 days before the meeting. Public hearing signs have to go up 7 days before the meeting. Councilman Klattenberg states to meet the January

31 deadline. Mr. Warner states he is looking at the developer; first you get it under contract subject to Planning and Zoning approvals. It would be best to get it under contract. Planning and Zoning approval occurs January 12; we close. If we don't have a Council approval, it is more vague. Councilman Klattenberg states as far as Recreation, he asks Mr. Santostefano, Director of Parks and Recreation, to comment on this design and the use of the building. Mr. Santostefano states Stephan Allison meet with the architect and went over our needs and it was our idea to raise the floor and open it up. It would work for us.

Councilman Pessina states the number of projects you have done is commendable and he asks if you were on budget and on time. Mr. Arcari states in general yes but each project had specific issues. He can provide budgets, bid results and what delta existed and why. In Grotonis case I would love to tell you we were on budget, but we were under budget by \$1 million but it was the economy. In Plainville, they were Small cities funded and it was a \$1.3 million and they ended up with \$1.2 million. The original bid came in \$1.4 million but they worked on engineering and it came in. We include contingency for projects and some undergo value engineering. We have had good success. Councilman Pessina states in my opinion it would be manageable to come in on time and under budget. He states you mentioned the Recreation Department and he has questions on the schematic, the big all purpose room, will it have a divider. Mr. Arcari responds yes an operable divider. Councilman Pessina states the director's offices, seems a hike to the all purpose room for accessibility and possibly the Health Department. We are talking about the seniors and where are the veterans on this project and what is their anticipation of the use of the area. Is it just meeting spaces or using it or getting their own funding to upgrade the portable classroom. He would like to hear about the veterans. Mr. Warner states the veterans, they would like to establish a Middletown museum and they have wonderful stuff and they would like to use the annex as the military museum. The majority of veterans are seniors and there is a lot of interaction between them. They are interested in the annex. Councilman Pessina states they have limited funding to offset the costs to redo the building. Ron Organek comes forward as the representative for the Military Museum. They do have some funding and it is limited and they are putting together some fund raising. We are looking at it for a museum but they are looking at doing an educational facility and realizing the fact you have to have displays. We have a lot of stuff that has been promised to us if we do get a building. They don't want to donate it at the present time because they want it on display. Councilman Pessina asks Bill Warner if the public can utilize meeting rooms on the off hours of the senior center. Can the public rent space as an income generator. Mr. Warner states it is more difficult, if it is the boy scouts or home owners associations, it is difficult to find space to meet. Mr. Arcari states he made the initial study and the non profits need meeting space and they include some private lockers so they can leave things in the locker. It is nice to have recreation and seniors together in a flexible space. Councilman Pessina states it will be accessible to the public and we can rent it out. Mr. Warner states it is a community building and as accessible as this building. Councilman Pessina states once the building is taken over it will add quality to the neighborhood. If everything goes as planned and it moves forward, is there a target date that this can be done so seniors can get in there with a finished building. Mr. Warner responds a good goal is January, 2012 when the Recreation lease comes up. Mr. Arcari states the construction is 6 to 7 months. Councilman Pessina states we can move seniors in, in 6 months, then get Recreation in. Mr. Arcari responds the construction is 6 to 7 month phase. You can do the lower level first and upper level second. It is construction of the stair tower that is the biggest component. January, 2012 is a very doable target as move in date. Councilman Pessina asks if seniors can be in there in 6 months once approvals are done. Mr. Arcari states it would not be unrealistic to get seniors in there in the fall of 2011. Councilman Pessina asks on page 12 benefits eliminating the need of \$48,000. Mr. Warner responds Park and Recreation space is 8,000 sq ft for storage of voting machine and \$8,000, the senior center pays to the synagogue for parking. For a building committee, six months is aggressive. Councilman Pessina states when he served on the original committee, they have been waiting and there is a great need to get this done. Mr. Warner states we want to make sure they work with seniors so they are fully informed and excited about it. He can come up with someone to put a roof on the annex for the veterans, instead of going out to bond.

Councilwoman Kasper states about the rental savings, what would the cost of operating the facility be. Mr. Warner responds they sent the oil usage which is about 3,000 gallons. Electric is hard and the senior center has a maintenance person. Councilwoman Kasper states it is a larger space and what are the water and sewer costs. We don't know what those numbers are and they could be very expensive. Mr. Warner replies they are hard to project. Councilwoman Kasper would like an idea of what that number is. She states the site is listed as EPA, why is that site on that list. Mr. Warner states they put a request in and they have not heard back from them. When they removed the asbestos containing windows, it was listed. In phase I there is no recommendation for phase II. It has always been a school. Councilwoman Kasper states in your budget you are showing \$600,000 for lower level and it says hazardous material study should be done and has a dollar amount put in there in the event there is hazardous

material. Mr. Warner replies they have the asbestos report done for the school and it is very little. They have contracted for an asbestos and lead study and we are awaiting the report. The inspection has been done and it will tell us what areas have lead and asbestos. They had the roof studied because of the asbestos and it would cost \$25,000 to dispose of it. Councilwoman Kasper states the annex roof is past its lifetime and has money been put in the budget. Mr. Warner responds no; he thinks he can get volunteers to put the roof on. Councilwoman Kasper asks for material costs. Mr. Warner states water and sewer he doesn't know what the pipes are. Councilwoman Kasper states that is not in the budget. Mr. Warner states no that is City labor. Councilwoman Kasper asks about the hot water and is it included. Mr. Warner responds that will have to be determined, the size. If they go with the ideal plan, it has a whole new boiler system. He continues the ideal plan of \$1.6 million has new HVAC and roof and includes the hot water. Councilwoman Kasper asks if there was a market study done to determine how many of our citizens would take the benefit of the use of the facility. Mr. Warner responds the Senior Services Committee looked at that and he asks Mr. Arcari if it was done. Mr. Arcari states the Senior Service Committee has done numerous surveys and the support is there and a program has been established and agreed upon. Councilwoman Kasper asks how many responded to the survey. Mr. Arcari states he will have to get it. Mr. Warner states the largest segment growth of our population is the seniors. Councilwoman Kasper states yes, how long will it be before we outgrow it. How long will it accommodate the seniors.

Councilman Serra states good job and it is a lot of information to digest. You have established a need for seniors and veterans. It is nebulous to him about City departments and that needs to be looked at and goes against one stop shopping. The number one concern is the financing. He would like another month of deliberation. It is \$800,000 to purchase it and it is a \$2.5 million project. To utilize the bid premium, I am uncomfortable with that in light of the economy and fund balance and then you need \$44,000 to pay the bond cost. You have \$800,000 to do that. Why not create a bond for this. I am uncomfortable about the funding, not the project. He is not sure Carl could answer that. We have been doing budget and the economy is down the tubes and now we will use cash, \$800,000. Mr. Warner states what he heard from Joe Fasi is that it could be used for capital project or a future referendum. If we go out to bond \$10,000,000 we can lower it by \$800,000. Councilman Serra states that takes \$800,000 out of the fund balance. He understands that it is over the \$750,000 we are authorized to do. His secondary problem is using LoCIP and CDBG. We do a lot with those funds so why not bond. The bonding market is good for us. Why not do that and he could support that; this is uncomfortable for him. Mr. Warner states over \$750,000 you go to referendum. Councilman Serra states can we creatively bond it. Mr. Warner states you can't go to referendum and have the church wait. Councilman Serra states he is suggesting creative bonding. He is uncomfortable using \$800,000 cash and CDBG funds. Mr. Warner states we have \$143,000 in LoCIP. Councilman Serra states the financing has to be different. Why not bond this. Mr. Warner states we will end up in referendum. Councilman Serra states we have creatively bonded before. The other problem is taking it from fund balance. The other few things are the operational costs. Have you projected them if this is accepted. Mr. Warner responds we can work on that and it will be a per square foot figure. There are standards the broker has provided for electric and heating. We have to look at energy efficiency and doing a Honeywell project there. He really thinks you need to secure the building and empanel a building committee for making those decisions. He has not heard that this is a not a good building to acquire. Councilman Serra asks for future costs.

Councilman Loffredo asks for Carl Erlacher, Finance Director. He asks if conversations have occurred between Attorney Fasi and he. Mr. Erlacher responds yes. Councilman Loffredo asks what are the limitations and uses of the money. Mr. Erlacher states it can be used for this purchase or used for a councilmanic project. Councilman Loffredo asks can it be used for city budget. Mr. Erlacher responds the funds can be used by the Mayor and Council for one or two years; the Mayor could state that the money be used for road bond issue. The Mayor and Treasurer have the exclusive use of the money. Once the Council approves a project, the Mayor and Treasurer can spend it. He continues that they went to bond in April and they received a premium of \$842,000 and the balance they would pay back varied from 3% to 4.5% and the net true interest is 2.5% and the funds now sit in an escrow account and is controlled per Bond Counsel Fasi by the Mayor and Treasurer. Councilman Loffredo asks when the clock begins. Mr. Erlacher responds when we bonded and it is a year or two and then it would go to fund balance. We will use it for a project and borrow less. Councilman Loffredo states this is not legitimately fund balance money. Mr. Erlacher states it is designated fund balance or escrow. Councilman Loffredo asks for Mr. Arcari and thanks him for the preliminary report. There is a third floor and he sees no architectural use of the attic. Mr. Arcari states the footprint is about 1/3 of the floor plate and it is a strip down the center of the building. The other 2/3 is low in nature and used for mechanical equipment. Recreation and senior center has great need for storage. Councilman Loffredo asks if there is estimate for actual space in the attic. Mr. Arcari states 2,000 sq. ft.

Councilman Loffredo states you mentioned you did a number of senior centers, where in those communities are the senior centers located. Mr. Arcari states Grotonis is not centralized; it is on the outskirts and Plainville is in the business district and not the heart of the community. Cromwell is studying a site for theirs. Branford is on Route 1, not the heart and in a good location for public transportation. Councilman Loffredo states the original site we were going to build, how would you describe it. Mr. Arcari states that site is smack dab in the center of Middletown and access to that site was more centralized. Councilman Loffredo states in terms of access and location, is there any problem with this site for access and location. Mr. Arcari states the benefits are vehicular access and public transportation access. It is easy car access and there will be significant parking and overflow parking; the fact it is skewed geographically, that is unfortunate. Councilman Loffredo states you presented a budget and the Director of Planning and Zoning presented another; did you have input on the budget he did. Mr. Arcari states on everything but my fee of course. I have discussed Bill's approach to reducing the budget. His thought process is sound; it is a competitive economy at this time and there is the possibility that the gain will be realized. Scope can be removed from the project or altering the concept to change the dollars. Councilman Loffredo states he reduced the project by \$402,000. That is significant reduction. Who has the real numbers. Mr. Arcari states Mr. Warner has anticipated a 15% positive gain on bidding on the project. Councilman Loffredo states you have been out to bid; have you seen that kind of reduction. Mr. Arcari responds yes we have. In Groton; it was two years ago and it was a 20% gain. Plainville, they realized 18%. Fifteen Percent is realistic in the market place. The difference between the two is my responsibility to put a realistic budget in place to execute the project comfortably and Mr. Warner is trying to get an estimate more in tune with the economy and changes in scope and he is more aggressive on the outlooks of the project costs. Councilman Loffredo states if we split the difference and had to come up with \$250,000 and you mentioned reducing the project by \$250,000. Mr. Arcari states it would have to be done some way either bidding, bidding alternates, or reducing the scope of the project. If you realize the bid gains, it is a good problem to deal with. Councilman Loffredo asks about the senior citizens in Middletown, if it has been vetted in the community. From a collective point of view and fairly large senior community. This is significant dollars and we need to do it right and it is a 20 year plan. Mr. Warner replies Ed Dypa left and he is Chair of Senior Services. I was not involved with the original meetings of the senior center. Councilman Klattenberg and Councilman Bauer sit on the committee. Councilman Loffredo states we started with \$25 million project and then we have this one which is narrowing it down to a minimal project. Do we have hard data. Councilman Klattenberg states Senior Services did discuss and review the project and it was unanimous approval for this project. Councilman Loffredo states the senior population of Middletown was there the opportunity to come forward; was there any outreach at large regarding this. Mr. Warner responds there have been discussion with Senior Services and there was outreach for the previous project. Councilman Serra states there are figures and that was three years ago. Councilman Loffredo states that was one of his projects. What we are proposing short and long term and now what we are proposing something different. Mr. Warner responds we will have to look at what was community center and what was senior center. Councilman Loffredo asks if senior center component was retained in this. Mr. Arcari replies if you are discussing this project with the last relating to senior center, we did a lot of outreach to determine the program needs. The proposed program reflects the key program elements in the original senior center. The proposed plan does not have additional spaces of the same type of program. This plan has three rooms for program and the original program had 5; a significant amount of the original building was for community, including a gym and pool both indoor and outdoor. They had extremely large community room that could serve a banquet room for over 300 and a large kitchen and significant component for community activity and offices for nonprofits, Youth Services was incorporated as well as Recreation. Recreation in the new plan has a little less than they currently do but is more efficient and in the \$25 million plan, it would double in size and take into consideration long term growth. This project will take Middletown through the bubble and the \$25 million was looking at 50 years of life. Councilman Loffredo states based on this what is the life of this structure regarding senior needs of Middletown. Mr. Arcari responds based on senior space, the needs will be met for 15 or 20 years. He has the studies and Councilman Loffredo asks for them. He then asks to speak to Raymond Santostefano, Director of Parks and Recreation. He states a few years ago, we had park facility on Butternut Street; we shut it down and part was to relocate Park and Recreation to the core area of the City for one stop shopping and the proposal is to take the Recreation component to this facility. What happens to Park. Mr. Santostefano states they will stay at Butternut Hollow. Councilman Loffredo states the idea of one stop shopping is that a concern. Mr. Santostefano states we had it at one time, one stop shopping when all offices were located in City Hall.

Councilman Faulkner asks Mr. Santostefano his concern is public input; is it difficult to get response from the seniors. Mr. Santostefano responds we went to the seniors and the word has been out there and there was concern about bussing. Tom Cheeseman states he will change the bus route. The normal

senior over 55 years old and our interim coordinator, we have bus trips all over the country and we are trying to do what other senior centers are doing. Councilman Faulkner states a simple letter. Mr. Santostefano states we have been to all senior housing and they are aware of what is happening. Councilman Faulkner states he was surprised to see \$240,000 to currently renovate and he was told it can't be reprogrammed. Mr. Santostefano states it can be. Councilman Faulkner states he is concerned with the funding issues and who will not get CDBG or LoCIP funds. He has a question on the construction; is there anything in the renovation that presents difficulty and warrant us to do something from scratch. Mr. Arcari states the building is a simple building and it won't be a large challenge. There are unforeseen things; renovation projects are unique and can be challenging. He prefers a new construction project and there are challenges beyond this opportunity. One is site selection, development and the cost. One of the benefits of this project with acquisition cost you are getting existing assets in infrastructure of the building. He doesn't foresee anything that would be considered a deal breaker. Councilman Faulkner states in terms of operating costs of the current senior center, do we pay them and will it be comparable to what we will pay. Mr. Santostefano responds the existing lease expires in 2011; our operating costs have been limited and the new lease, they will separate the electrical and there will be repairs and our costs will increase. Councilman Faulkner states all the equipment is owned by the City. Mr. Santostefano responds yes; it is all ours.

Chair Bibisi asks if there are further questions and asks the Mayor if he wants to make closing remarks.

Mayor Giuliano states he would like to clear up one term used; the situation with the Parish has been described as there will be a penalty. All that we have done is exchange letters. The Parish will hold the \$800,000 to the end of January and it will go up by \$25,000 every month beyond that date. If it is the Council's intention to do this, we should not pay the \$25,000. The other is the bid discount. If we bond this, we would use the \$800,000 to reduce the next project. It will be the same. The actual authority is somewhat narrower. I can't use it on any project. To use it on the Public Works project, the City would have to appropriate that money out. What the City Treasurer and I have to do for two years after the bond sale is, to reduce a bond sale that takes place in the two year period. What the Council has already approved for bonding, we can then use that money to reduce the debt obligation. We can't use it for any project is if the Council wants to go forward we won't use it to reduce the next bond sale, but we can put it into the general fund for you to appropriate for this project. If you were to pay for this with bonds, the \$800,000 would reduce the bond. Beyond that, I don't want this to cost more than it should and he doesn't want the Parish to be pulled along. In terms of our own interest and fairness to the seller, we owe them a quick answer so they can negotiate with other potential purchasers. Councilman Streeto states he noted you went to the Ethics Board to ensure there is no conflict and it was proved and do you know if anyone else went to Ethics Board who was a senior. The Mayor states it was an obvious issue and it made sense to get it to the Board of Ethics and be advised on this. He did set up a negotiating team and had them talk to the agent of the Parish Council and he threw out the number.

Motion to Adjourn

Councilman Loffredo moves to adjourn and his motion is seconded by Councilman Bauer. The vote is called and it is unanimous to adjourn. The Chair declares the meeting is declared adjourned at 9:15 p.m.

ATTEST:

MARIE O. NORWOOD
Common Council Clerk